



UNIVERSAL ROBINA  
CORPORATION

# FY2014 First Half Results

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# Disclaimer

**This presentation contains certain forward looking statements with respect to the financial condition, results of operations and business of Universal Robina Corporation (URC) and plans and objectives of the management of URC. Such forward looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results or performance of URC to be materially different from any future results or performance expressed or implied by such forward looking statements. Such forward looking statements were based on numerous assumptions regarding URC's present and future business strategies and the political and economic environment in which URC will operate in the future.**

# AGENDA

## FIRST HALF FY14 FINANCIAL PERFORMANCE PLANS AND EXPECTATIONS

# URC: Robust operating results

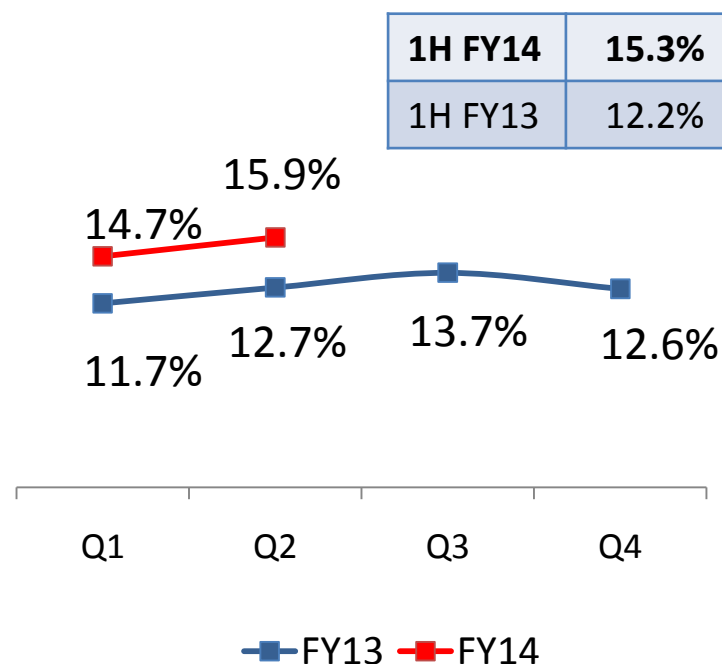
- Branded Foods business is the primary growth driver
- EBIT margins expanded by 310 bps driven by lower average input cost and additional scale
- Core Earnings and Net income affected by lower non-recurring gains

## Financial Highlights

(Php Billions)

	Q2 FY14	vs. SPLY	1H FY14	vs. SPLY
Net Sales	23.0	↑14%	45.7	↑13%
EBIT	3.7	↑42%	7.0	↑42%
Core Earnings	3.7	↑10%	7.1	↑19%
Net Income	3.3	↑6%	6.2	↑14%

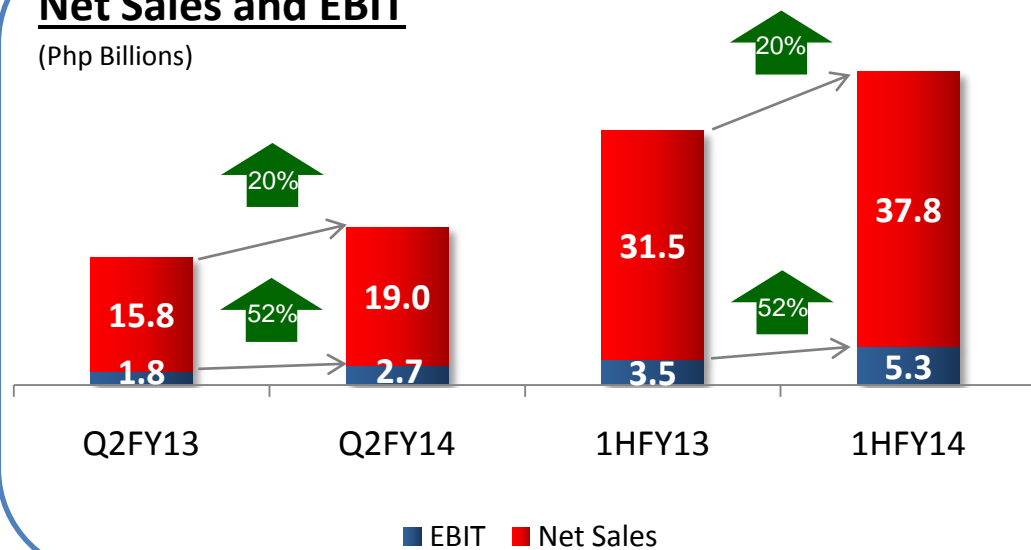
## EBIT Margin



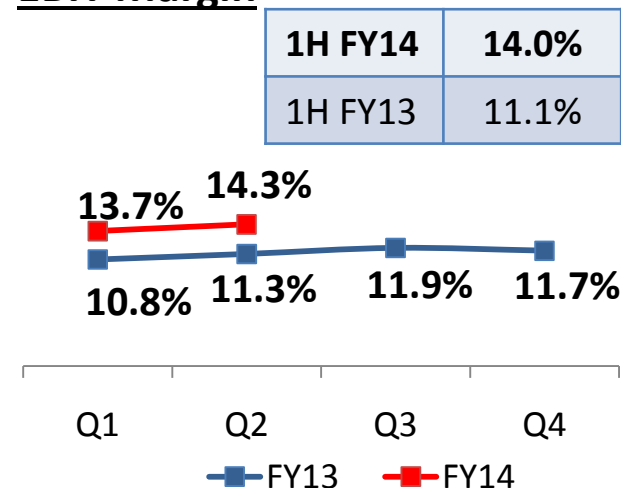
# BCF: Sustained sales momentum in PH driving growth

## Net Sales and EBIT

(Php Billions)



## EBIT Margin



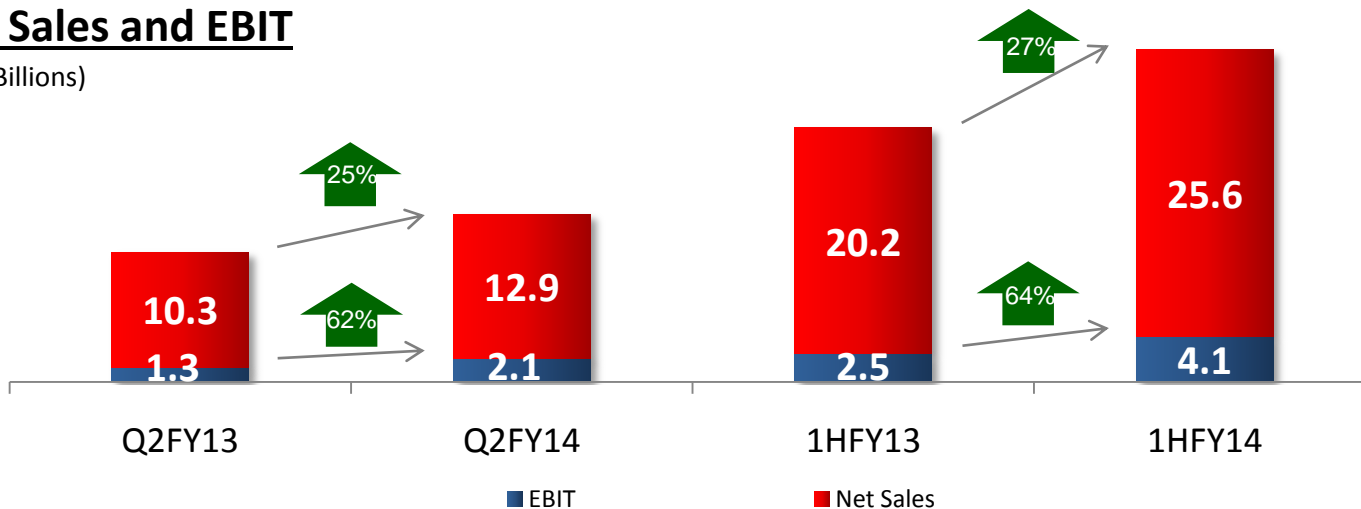
## Robust innovation pipeline across markets



# BCF PH: All segments now registering double digit growth

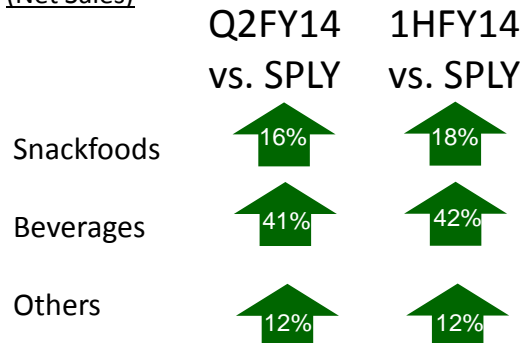
## Net Sales and EBIT

(Php Billions)

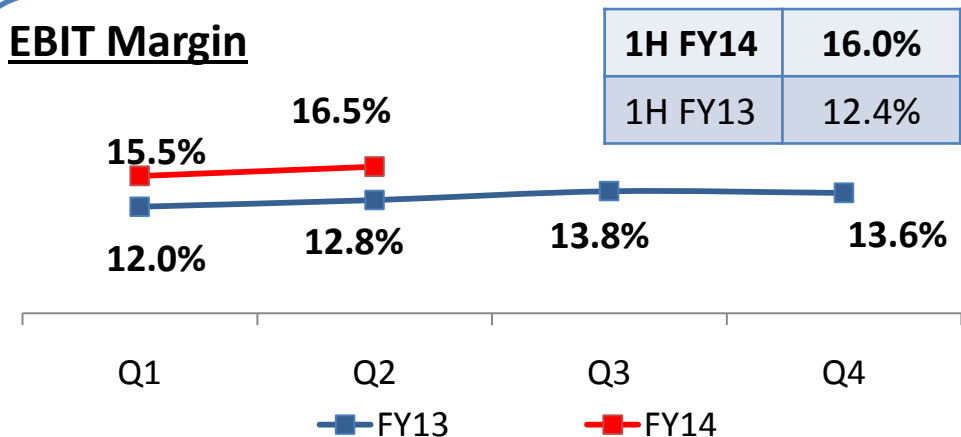


## Segment growth rate

(Net Sales)



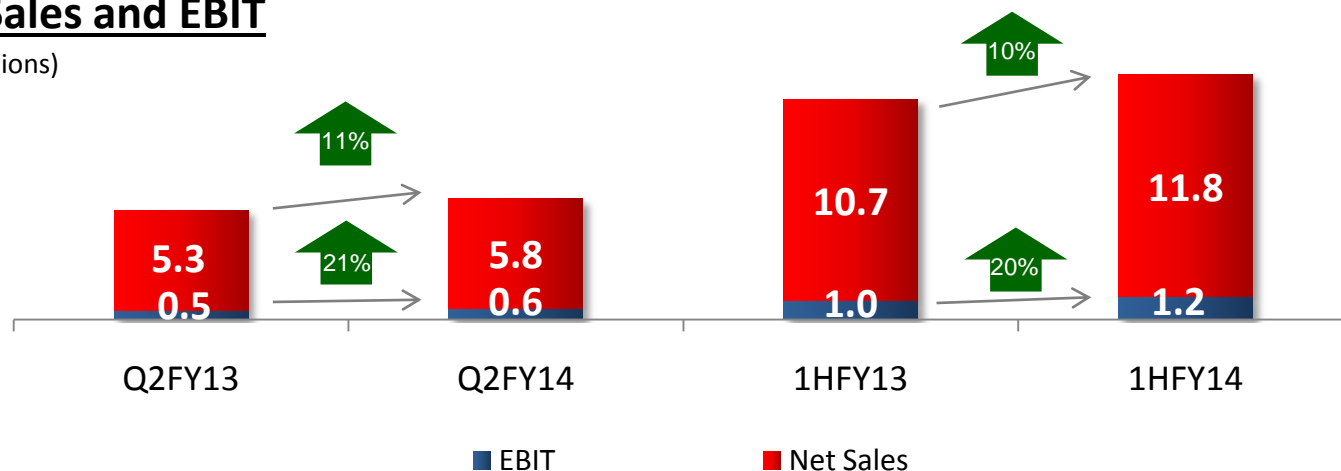
## EBIT Margin



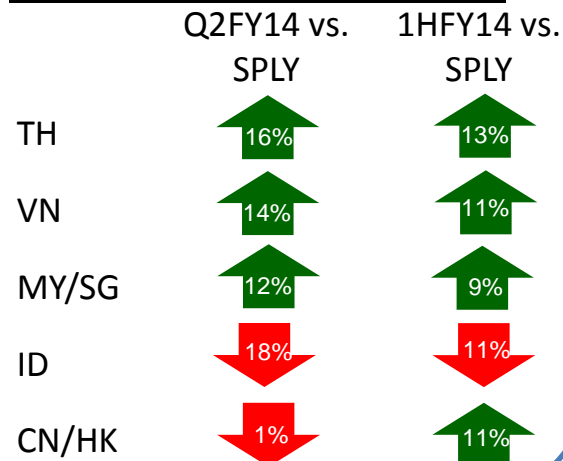
# BCF Int'l: Growing despite challenging macro

## Net Sales and EBIT

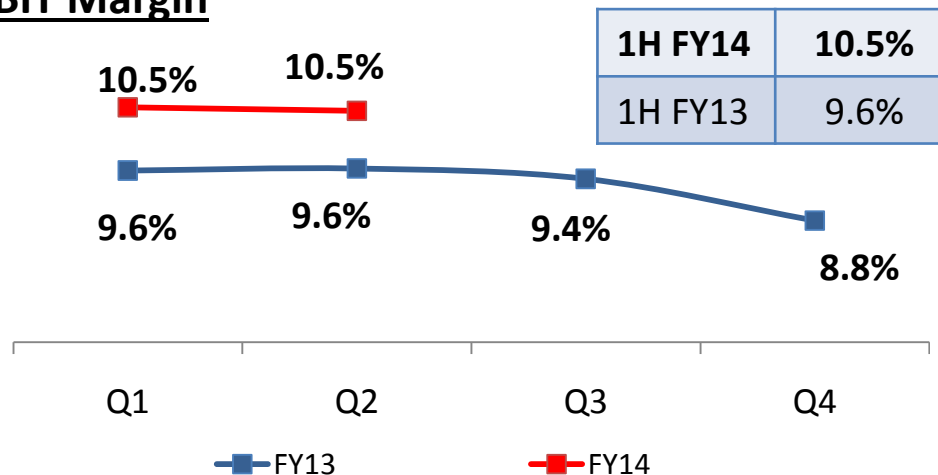
(Php Billions)



## Sales growth per country



## EBIT Margin



# Non-BCF: Stable contribution to EBIT

- CFG Sales affected by decline in Sugar due to late milling
- AIG Sales and EBIT growth driven by Farms business

<i>Php Billions</i>	Q2 Sales	YoY	Q2 EBIT	YoY	1H Sales	YoY	1H EBIT	YoY
<b>Flour</b>	1.0	+5%	0.4	+65%	2.1	+6%	0.7	+32%
<b>Sugar</b>	1.0	-40%	0.5	-17%	1.7	-45%	1.0	-9%
<b>Commodity Foods*</b>	2.0	-23%	0.9	+6%	3.8	-24%	1.7	+5%
<b>Feeds**</b>	0.8	+17%	0.1	-23%	1.6	+4%	0.1	-29%
<b>Farms***</b>	1.2	+13%	0.3	+98%	2.5	+12%	0.4	+101%
<b>Agro-Industrial</b>	2.0	+14%	0.3	+54%	4.1	8%	0.5	+37%
<b>NON-BRANDED</b>	4.0	-8%	1.2	+16%	7.9	-10%	2.2	+11%

\*CFG Gross Sales for 1HFY14 of Php 3.1B for Flour and Php 3.6B for Sugar

\*\* Feeds Gross Sales for 1HFY14 of Php 3.5B, with EBIT margin based on gross sales at 3.7%

\*\*\*Includes marked-to-market revaluation gain of Php 172M for 1HFY14 vs. Php 62M SPLY

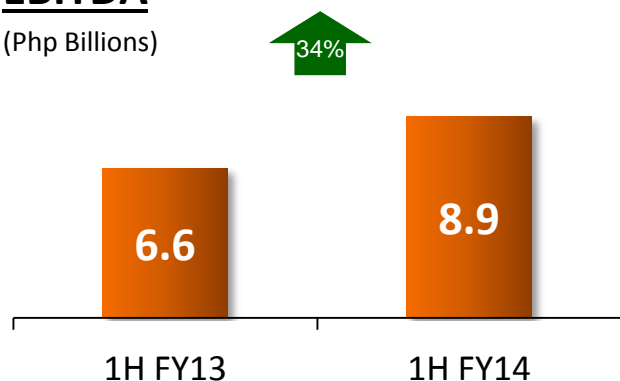


# Strong Cash Position

- CAPEX as of 1H FY 2014 is Php 4.3B
- Dividends of Php 6.5B
- Gearing ratio of 0.13
- Net cash position of Php 4.3B

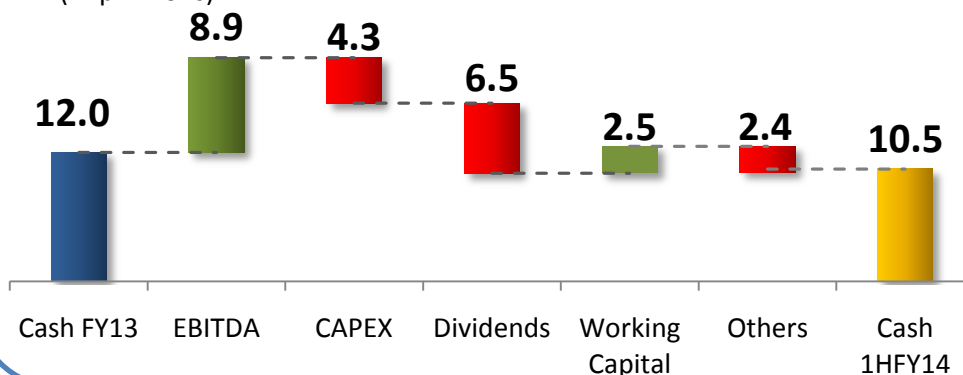
## EBITDA

(Php Billions)

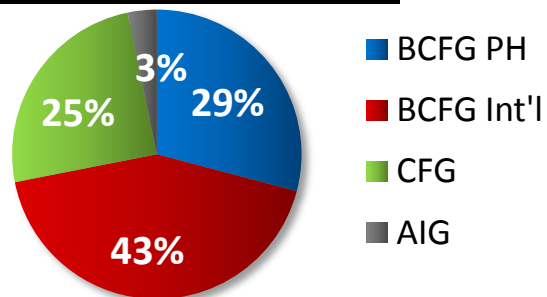


## Cash Position

(Php Billions)

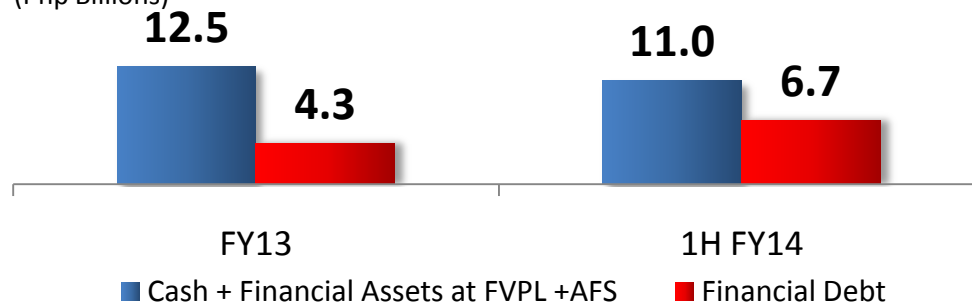


## YTD CAPEX Breakdown








## Cash and Financial Debt

(Php Billions)



# Trends of our top commodity inputs

		Average 1H FY14 Prices vs. FY13		Projected 2H Prices vs. FY13	
Sugar		-7%	↓	-8%	↓
Wheat Flour		0%		0%	
Cocoa Powder		-23%	↓	-19%	↓
Palm Oil		7%	↑	18%	↑
Robusta Coffee Beans		-10%	↓	4%	↑

•Material prices based on URC's contracted prices with suppliers. Sugar and Flour pricing are contracted internally.

# AGENDA

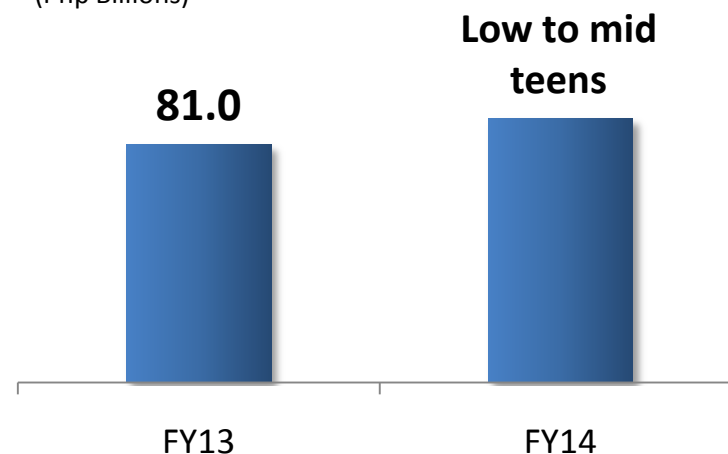
## FIRST HALF FY14 FINANCIAL PERFORMANCE PLANS AND EXPECTATIONS

# Plans and Guidance

- **Branded Consumer Foods to grow sales mid to high teens though margin pressure is expected in the second half**
- **Commission Creamer factory in Vietnam and bio-ethanol facility in the Philippines**
- **Finish construction of factory in Central Vietnam, URC Myanmar and Biomass Power Cogeneration facility in the Philippines**
- **Accelerate regional organizational alignment**
- **Execute improvements in selling systems in Indonesia and Thailand**
- **Full year CAPEX of USD 200M**

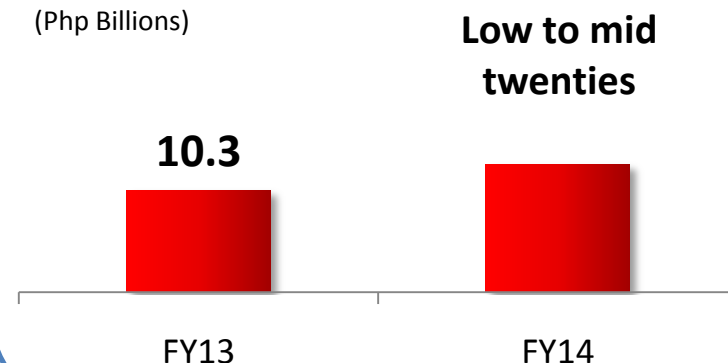
## Net Sales

(Php Billions)



## EBIT

(Php Billions)



# THANK YOU

# Income Statement

(Php Millions)	1H FY14	1H FY13	YoY
NET SALES	45,743	40,316	13%
Cost of Sales	31,635	29,047	9%
GROSS PROFIT	14,108	11,269	25%
Operating Expenses	(7,099)	(6,340)	12%
OPERATING INCOME	7,009	4,929	42%
Equity in net income	19	13	
Finance Revenue - net	55	221	
Other Revenues	54	814	
CORE EARNINGS	7,137	5,977	19%
Market valuation gain	(8)	506	
Foreign exchange gain - net	266	(429)	
INCOME BEFORE INCOME TAX	7,395	6,054	22%
Provision for income tax	1,172	613	
NET INCOME	6,223	5,441	14%
Net income attributable to holders of the parent	6,165	5,407	
EBITDA	8,868	6,618	34%

Net finance revenue decreased vs. SPLY due to:

- Lower finance revenue due to decline in level of financial assets as a result of disposal of bond and equity investments.
- Lower finance cost due to decline in level of financial debt resulting from settlement of long-term debt and repayments of short-term debts.

Market valuation gain (loss) on financial instruments at fair value through profit or loss decreased due to decline in level of financial assets as a result of disposal of all bond investments and significant portion of equity investments.

Foreign exchange gain (loss) - net posted foreign exchange gain for 1H FY14 vs. foreign exchange loss reported in the same period last year due to continuous depreciation of subsidiaries' local currencies and Philippine peso vis-à-vis US dollar.

Other income - net decreased to due to gain on sale of FVPL and AFS investments last year.

Higher provision for income tax due to higher taxable income of the Parent company and subsidiaries.



# Balance Sheet

(Php Millions)	1H FY14	FY13
Cash & cash equivalents (including Financial assets at FVPL and AFS)	10,975	12,469
Other current assets	22,177	20,959
Property, plant, and equipment	32,687	30,180
Other noncurrent assets	3,128	2,937
<b>TOTAL ASSETS</b>	<b>68,967</b>	<b>66,545</b>
Current liabilities	17,874	14,719
Other noncurrent liabilities	578	996
<b>TOTAL LIABILITIES</b>	<b>18,452</b>	<b>15,715</b>
Retained earnings	37,396	37,775
Other equity	13,119	13,055
<b>TOTAL EQUITY</b>	<b>50,515</b>	<b>50,830</b>



# Divisional Financials

(Php Millions)	SALES			EBIT			EBIT MARGIN		
	1H FY14	1H FY13	YoY	1H FY14	1H FY13	YoY	1H FY14	1H FY13	BPS YOY
<b>Branded Consumer Foods</b>	<b>37,840</b>	<b>31,506</b>	<b>20%</b>	<b>5,296</b>	<b>3,486</b>	<b>52%</b>	<b>14.0%</b>	<b>11.1%</b>	<b>293</b>
Philippines	25,622	20,226	27%	4,103	2,507	64%	16.0%	12.4%	362
Packaging	452	571	-21%	(40)	(47)	-15%	-8.8%	-8.2%	(61)
Total Philippines	26,074	20,797	25%	4,063	2,460	65%	15.6%	11.8%	375
International	11,766	10,709	10%	1,233	1,026	20%	10.5%	9.6%	90
<b>Non-Branded Consumer Foods</b>	<b>7,903</b>	<b>8,810</b>	<b>-10%</b>	<b>2,232</b>	<b>2,018</b>	<b>11%</b>	<b>28.2%</b>	<b>22.9%</b>	<b>534</b>
<b>CFG (net)</b>	<b>3,809</b>	<b>5,032</b>	<b>-24%</b>	<b>1,715</b>	<b>1,641</b>	<b>5%</b>	<b>45.0%</b>	<b>32.6%</b>	<b>1,242</b>
Flour	2,131	2,005	6%	694	524	32%	32.5%	26.1%	642
Sugar	1,678	3,027	-45%	1,021	1,117	-9%	60.9%	36.9%	2,399
<b>AIG (net)</b>	<b>4,094</b>	<b>3,778</b>	<b>8%</b>	<b>517</b>	<b>377</b>	<b>37%</b>	<b>12.6%</b>	<b>10.0%</b>	<b>262</b>
Feeds	1,605	1,549	4%	131	185	-29%	8.2%	12.0%	(381)
Farms	2,490	2,229	12%	386	192	101%	15.5%	8.6%	687
<b>Corporate Expenses</b>				<b>(519)</b>	<b>(575)</b>				
<b>TOTAL URC</b>	<b>45,743</b>	<b>40,316</b>	<b>13%</b>	<b>7,009</b>	<b>4,929</b>	<b>42%</b>	<b>15.3%</b>	<b>12.2%</b>	<b>310</b>



# Value Market Shares

## Philippines

CATEGORY	MARKET SHARE	#1	#2	#3
Snacks	39%	URC	25%	8%
Candies	35%	URC	12%	11%
Chocolates	24%	URC	9%	9%
Biscuits	16%	34%	28%	URC
Cookies	28%	URC	24%	12%
Pretzels	44%	URC	30%	12%
Canned Beans	81%	URC	8%	5%
Cup Noodles	46%	52%	URC	2%
RTD Tea	82%	URC	6%	5%
Coffee	24%	50%	URC	21%
Instant Coffee	24%	73%	URC	2%
Coffee Mixes	23%	42%	29%	URC

AC Nielsen Survey MAT: Snacks, RTD Tea, Coffee- Feb 2014, Candies, Cup Noodles, Chocolates, Biscuits, Canned Beans- Jan 2014

## Thailand

CATEGORY	MARKET SHARE	#1	#2	#3
Biscuits	21%	URC	11%	10%
Wafers	21%	URC	11%	10%

Source: AC Nielsen Retail Index March 2014

## Vietnam

CATEGORY	MARKET SHARE	#1	#2	#3
RTD Tea	32%	46%	URC	5%

Source: AC Nielsen Retail Index March 2014 (6 key cities)